



NOTES FROM THE:

Air Force Accounting and Finance Office

Editors note: The AFAFO QA web site is located at: <http://www.saffm.hq.af.mil/afafo/qual.html>

by Colonel Martha M. Beatty

Introduction

Have you ever been disappointed with the sequel performance of a favorite book or movie? Perhaps the second effort just quite didn't live up to the original. One sequel that deserves rave reviews is today's Quality Assurance Program (QAP).

Before the consolidation period (circa 1991), the original QAP was embedded as part of the Air Force base-level Accounting and Finance Office operations. The QA Manager worked directly for the Accounting and Finance Officer and was an integral part of the local management team. Air Force Regulation (AFR) 177-10 was the "bible" for QA operations.

Unfortunately, after consolidation, QA at base level virtually slipped through the cracks. The emphasis was more on meeting the challenges and requirements of payment and accounting processing in a consolidated environment. The AFR 177-10 was no longer maintained at the Air Force level. Although some bases maintained a viable QA program, they were left to fend for themselves with perhaps Major Command (MAJCOM) guidance. QA became a casualty of consolidation.

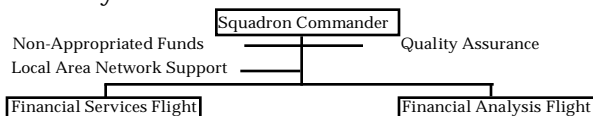
Fortunately, as the saying goes, That was then, and this is now. Quality Assurance returned with a vengeance! The QA Program resurfaced for two basic reasons.

- High visibility fraud cases indicated a need for strengthened internal controls.
- A recognition that QA is an important function at base level financial operations.

QA II—the Sequel—is better than the original because of (1) senior FM leadership commitment, (2) an integrated teamwork approach to QA, (3) the ability to exploit today's computer systems technology, and (4) the commitment and dedication of the QA Managers throughout the network.

Leadership Commitment

The first thing that needed to occur was an organizational alignment. In a 24 April 1998 memo, the Assistant Secretary of the Air Force (Financial Management and Comptroller) included QA as part of the standard base-level Comptroller organization (outlined in AFI 38-101, Air Force Organization). Quality Assurance was formally back!



This time, the QA Manager reports directly to the base comptroller vice the financial services officer (FSO)—highlighting the emphasis on QA across the spectrum of base level FM operations.

At higher headquarters level, the newly established Air Force Accounting and Finance Office (AFAFO) became the point of contact for QA throughout the network. One of the immediate benefits was its ability to interface with other agencies on internal controls and fraud prevention. For example, the AFAFO is a member of the Fraud Working Group, that includes representatives from the Defense Finance and Accounting Services (DFAS), the Office of Special Investigation (OSI), the Air Force Audit Agency (AFAA), and other key agencies. The committee's charter is to share information and tactics on fraud identification and prevention measures.

The FM senior leadership has promoted the QA sequel program whenever possible. QA and Internal Controls have been and continue to be briefed at the national Professional Development Institute (PDI) conferences, local American Society of Military Comptroller (ASMC) functions, to students of the Financial Management Staff Officer Course (FMSOC) at Sheppard AFB, TX, and other forums and venues. Last year, the worldwide FSO conference held in Denver CO was opened to all QA Managers able to attend and QA and Internal Controls were a key part of the agenda.

A Teamwork Approach

In November 1998, a QA Development Task Force was formed of MAJCOM and Direct Reporting Unit (DRU) representatives. Under the lead of the AFAFO, the group developed a comprehensive strategy of how to best bring back the QA program as a standard model across the Air Force financial management network. Many of the programs and initiatives outlined in this article are a direct result of their efforts.

The Director, AFAFO, to improve the existing Self-Inspection Program, also chartered a more specific task force in 1999. The Self-Inspection Program is a comprehensive set of checklist questions that the various sections in the Comptroller shop complete twice annually. Even when QA was dissolving at many bases, the Self-Inspection checklists remained a key part of the internal review process. The checklist questions were developed and maintained by the various MAJCOM staffs.

The task force combined their talents and experience to totally revamp the Self-Inspection Program into a multi-media product. The current program is web-based and uses flowcharting to identify internal control chokepoints and critical work processes. Fraud prevention experts indicate that the best means to identify internal control points in an organization is to flowchart the tasks first. The next step is to step back and determine which tasks are critical to effective internal controls.

Other benefits of flowcharting include reducing the number of checklist questions and providing an on-line continuity book and training tool. The MAJCOMs have agreed to adopt the Self-Inspection Program as the one overarching set of questions to use regardless of what base or MAJCOM assigned.

Exploiting Today's Systems Technology

The web-based Self-Inspection Program is only one example of how the QA Program has exploited today's high tech environment. Two other notable systems initiatives are the cross-feed program and the electronic version of the QA Manager's Handbook—both on the AFAFO web site.

Cross-Feed Program. A giant electronic bullet board describes the AFAFO cross-feed page. The purpose of the web site is to post information on internal control failures and good ideas and initiatives for distribution throughout the network. When an audit finding, loss of funds case, or other reports indicate a breakdown in internal controls at a single base or small group of bases, the information is then passed to determine if a similar problem exists at other installations.

One example is an audit report that found poor practices of the critical Pay Record Accessibility (PRA) analysis—a review of local FM military pay accounts to identify any possible discrepancies or fraud. This information was cross-fed to all the QA Managers who in turn performed a quick Compliance Review. Approximately one-third of all QAMs reported that their base had similar problems with their own PRA procedures. In effect, an existing gap in internal controls was reduced due to the cross-feed program.

The majority of cross-feed items posted on the AFAFO web site are best practices and local initiatives. Examples of these good ideas include publicity and marketing efforts, fraud newsletters, several customer service initiatives, and various Quality Assurance Reviews.

Electronic QA Manager Handbook. The new QA guidance, Air Force Instruction (AFI) 65-202, is less than 25 pages. While the AFI provides the what to do guidance, the how to part is supplemented by the electronic version of the QA Manager's Handbook. Also posted on the AFAFO web site, the electronic handbook provides many examples and practical guidance in meeting the requirements of the QA AFI and assists the QAMs stay organized. The vast majority of the items

in the handbook are from local QA Managers who shared their ideas with their brethren QAMs.

Contributions of Base Level QA Managers

Although most people could see the benefits of the new QA Program, early on there was much concern about how the additional work would get done. In a survey to base comptrollers on the QA Program, 70 percent responded that their QA Managers had additional duties including FSO, Superintendent, First Sergeant, or Systems person. The FM community has found a way to stand up the QA Program. In another recent Comptroller survey, 100 percent of respondents reported that the QA function was part of their organization.

The QA Managers are the focal point for internal control and fraud prevention measures—meeting one of the two basic reasons for the QA Program sequel. Although the QAMs cannot totally prevent fraud, they can at least deter it. IAW the QA AFI 65-202, fraud prevention measures include:

- Fraud Prevention Education (local newsletters, briefings, etc).
- Internal Reviews (assist the FSO in review of military pay data, civilian pay, travel payments, and systems access of assigned FM personnel).
- Electronic Funds Transfer (EFT) review of manual changes to travel payments.
- Post Audit of travel vouchers and pay affecting documents.

Fraud prevention isn't the only element of internal controls. The Committee on Sponsoring Organizations of the National Commission on Fraudulent Financial Reports stated that Internal Control is a process...designed to provide reasonable assurance regarding the achievement of objectives in the following categories: (1) Reliability of financial reporting, (2) Effectiveness and efficiency of operations, and (3) Compliance with applicable laws and regulations.

In other words, while QAMs may prevent bad things from happening (i.e., fraud), another important role is to make good things happen. Throughout the network, local QA Managers are making a difference. They are assisting the Comptroller and staff in improving operations.

The recent addition of a Quality Assurance Manager of the Year category in the 1999 Air Force level financial management awards program validate the impact these professionals are making in their organizations.

Conclusion

Today's QA Managers have the backing of the highest levels of FM leadership, the benefits of an integrated teamwork approach, access to the tools of systems technology, and their own exceptional talents and dedication.

Unlike some remakes in the movie or book industries, this sequel, QA II, is undoubtedly better than the original.